

Congress of the United States
Washington, DC 20515

May 9, 2014

480

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Wheeler,

As the Federal Communications Commission moves to finalize rules for the first-of-its-kind incentive auction of broadcast television spectrum, it has indicated its intention to propose rules to ensure every carrier has the opportunity to bid and win this beachfront spectrum and consumers, including those living in rural areas lacking sufficient mobile broadband coverage, enjoy the benefits of competition. These goals are one key part of the Middle Class Tax Relief and Job Creation Act of 2012, which granted the FCC authority to conduct an incentive auction. We commend you for your work in support of the Act and its goals.

In establishing the anticipated rules for mobile spectrum holdings and the incentive auction, the FCC recognizes that generating sufficient revenue for auction priorities and protecting wireless competition are not mutually exclusive. The Public Safety Spectrum Act contains several critical funding priorities for the incentive auction, including funding any remaining portion of the \$7 billion allotted for a nationwide public safety broadband network, incentivizing broadcasters to sell their spectrum, and reducing the national debt. At the same time, among other objectives, the Public Safety and Spectrum Act preserves the FCC's authority to promote competition and to protect against undue concentration of spectrum holdings.

The FCC has crafted a transparent auction structure that accurately recognizes the unique value of low-band spectrum. We are heartened to hear that the FCC intends to ensure sufficient auction revenue to accomplish public interest objectives identified in the Act, including the full funding of the First Responder Network Authority, or FirstNet, as well as sufficiently broad-based and robust competition to protect consumers' interests in innovation and expanded wireless broadband service in urban and rural areas alike. In particular, we believe that a proposal to reserve a portion of the available licenses for carriers with limited nationwide low-frequency holdings will stimulate auction competition and revenues, ensuring opportunity to bid and win spectrum to enhance and extend rural build out and improve coverage in all areas, while guarding against excessive concentration of spectrum resources.

We look forward to working with you to ensure the final rules for the broadcast incentive auction strike the right balance among the Act's many competing objectives.

Sincerely,



DORIS O. MATSUI
Member of Congress



PETER WELCH
Member of Congress



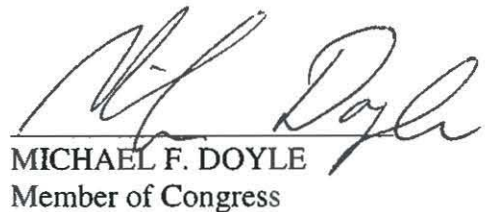
HENRY A. WAXMAN
Ranking Member
Energy and Commerce Committee



ANNA G. ESHOO
Ranking Member
Communications and Technology
Energy and Commerce Committee



JOHN CONYERS JR.
Ranking Member
Judiciary Committee



MICHAEL F. DOYLE
Member of Congress



ZOE LOFGREN
Member of Congress



BEN RAY LUJAN
Member of Congress



JARED POLIS
Member of Congress



ADAM SMITH
Ranking Member
Armed Services Committee



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 18, 2014

The Honorable Doris Matsui
U.S. House of Representatives
2446 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Matsui:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

The Incentive Auction is a once-in-a-lifetime opportunity to expand the benefits of mobile wireless coverage and competition to consumers across the Nation – particularly consumers in rural areas – offering more choices of wireless providers, lower prices, and higher quality mobile services, while also providing a game-changing financial opportunity to broadcasters and fully funding the Public Safety Trust Fund for FirstNet.

On May 15, the Commission adopted final rules for the Incentive Auction and for Mobile Spectrum Holdings. Consistent with the Middle Class Tax Relief and Job Creation Act of 2012, all who want to participate in the Incentive Auction will be able to bid. A priority of the auction will be to ensure that nationwide providers that already possess significant amounts of low-band spectrum are not able to use the auction to keep competitors from accessing the spectrum they need to provide additional choices to consumers. This is vitally important to rural communities, where such spectrum is necessary for competitors to provide improved service to areas that currently have poor or no wireless coverage, and also in urban areas where low-band spectrum allows cost-effective, reliable coverage in urban canyons and deep into buildings. The market-based reserve for the Incentive Auction appropriately balances the goals of promoting competition and making more spectrum available to all wireless providers.

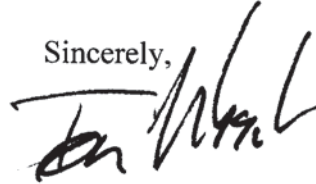
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¹ The Spectrum Act requires only that the forward auction generate proceeds sufficient to pay winning bidders in the reverse auction and cover relevant administrative costs of the auction and an estimate of relocation costs subject to reimbursement.

² I expect that these two auctions will nearly or fully fund the PSTF with amounts needed for FirstNet, even before the Incentive Auction takes place.

Thank you again for sharing your support of the Commission's efforts in creating the first ever Incentive Auction, while bringing the benefits of competition to consumers across the nation. I look forward to working with you toward our mutual goal of a successful auction for the benefit of all American consumers.

Sincerely,

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Tom Wheeler



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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 18, 2014

The Honorable Anna Eshoo
U.S. House of Representatives
241 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Eshoo:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

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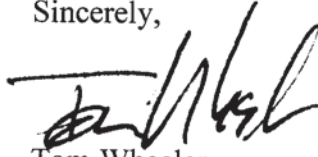
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Tom Wheeler



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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 18, 2014

The Honorable Adam Smith
U.S. House of Representatives
2264 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Smith:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

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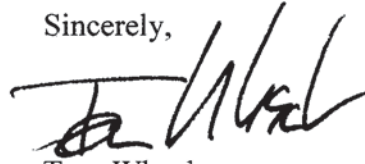
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 18, 2014

The Honorable Ben Lujan
U.S. House of Representatives
2446 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Lujan:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

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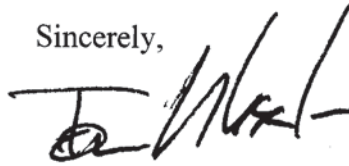
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Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 18, 2014

The Honorable Zoe Lofgren
U.S. House of Representatives
1401 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Lofgren:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

The Incentive Auction is a once-in-a-lifetime opportunity to expand the benefits of mobile wireless coverage and competition to consumers across the Nation – particularly consumers in rural areas – offering more choices of wireless providers, lower prices, and higher quality mobile services, while also providing a game-changing financial opportunity to broadcasters and fully funding the Public Safety Trust Fund for FirstNet.

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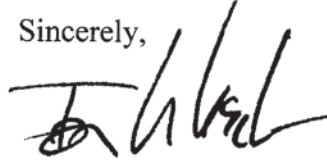
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 18, 2014

The Honorable Peter Welch
U.S. House of Representatives
2446 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Welch:

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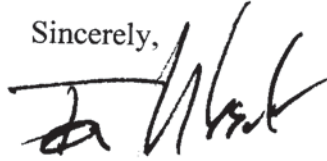
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 18, 2014

The Honorable Michael Doyle
U.S. House of Representatives
239 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Doyle:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

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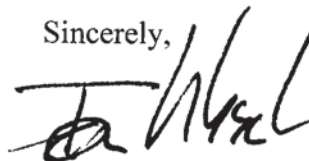
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 18, 2014

The Honorable John Conyers
U.S. House of Representatives
2426 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Conyers:

Thank you for sharing your views on the importance of the Broadcast Television Incentive Auction, and for your support of the Commission's actions to promote competition.

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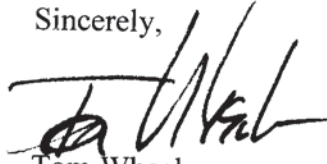
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FEDERAL COMMUNICATIONS COMMISSION
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June 18, 2014

The Honorable Jared Polis
U.S. House of Representatives
1433 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Polis:

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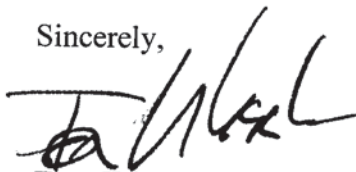
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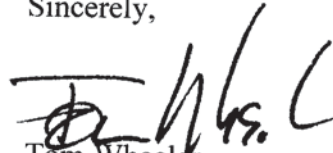
As you note, the Incentive Auction will fully fund any remaining funds necessary for FirstNet. Specifically, under the rules the Commission recently adopted, the proceeds of the auction must be sufficient to fund incentive payments to participating broadcasters, the other mandatory expenses set forth in section 6403(c)(2) of the Spectrum Act,¹ and any PSTF amounts still needed in connection with FirstNet after the close of the H Block and AWS-3 auctions.² The Spectrum Act establishes the priority for making payments or deposits from the PSTF as amounts are deposited into the Fund, including for FirstNet and for deficit reduction.

¹ The Spectrum Act requires only that the forward auction generate proceeds sufficient to pay winning bidders in the reverse auction and cover relevant administrative costs of the auction and an estimate of relocation costs subject to reimbursement.

² I expect that these two auctions will nearly or fully fund the PSTF with amounts needed for FirstNet, even before the Incentive Auction takes place.

Thank you again for sharing your support of the Commission's efforts in creating the first ever Incentive Auction, while bringing the benefits of competition to consumers across the nation. I look forward to working with you toward our mutual goal of a successful auction for the benefit of all American consumers.

Sincerely,



Tom Wheeler